

RALEIGH-DURHAM AIRPORT AUTHORITY

MINUTES

August 21, 2003

Chairman Clancy presided. Present: Members Gibbs; Sanders; Teer; Toler; Weeks; Winston and Zaytoun. Also present: Airport Director Brantley; Deputy Director, Finance Business & Administration Gill; Deputy Director, Facilities Engineering & Maintenance Pittman; Major Capital Improvements Program Director Powell; Finance Director Barritt; Senior Program Manager Edmondson; Senior Program Manager Quesenberry; Program Manager Cayton; Properties & Insurance Officer Quinn; Communications Manager Hamlin; Communications Specialist Dunton; Business Development Officer Hairston; Emergency Services Manager Thompson; Information Technology Manager Schiller; Maintenance Manager Fulp; Telecommunicator Strickland; Transportation Supervisor Kiser; Executive Assistant Mitchell; Administrative Assistant Gray and Attorney Tatum.

Guests: Charles McCloskey, Parsons Transportation Group; Curt Fentress, Thom Walsh, & Tom Theobald, Fentress Bradburn Architects; Chris Baysden, Triangle Business Journal; Christopher Kirkpatrick, The Herald-Sun; Vicki Hyman, The News & Observer; Nick Meador and Ray Moore, American Airlines; and Charles Case, Esq., Hunton & Williams.

APPROVAL OF AGENDA – There were no changes to the agenda, and it was approved as submitted.

APPROVAL OF MINUTES – There were no changes to the minutes of the July 17, 2003 meeting. Member Sanders moved, seconded by Member Weeks, their approval as submitted. Adopted.

CHAIRMAN’S COMMENTS – Chairman Clancy had no comments at this time.

LAW, FINANCE & PERSONNEL COMMITTEE REPORT – Member Sanders reported the Committee met on August 21, 2003 and discussed the following item:

1. Report on public parking and parking rates. Airport Director Brantley reported on proposed changes in the public parking facilities and the parking rates. In early November, Parking Garage 4 is scheduled to open, adding 6,408 spaces to RDU’s public parking capacity. Coupled with Parking Garages 1, 2 and 3, the new garage will increase the number of garage spaces between Terminals A and C to 11,000. Pay-on-foot payment of parking charges (“Exit Express”) for all of those spaces will be introduced, adding even more to the convenience and customer service of the parking facilities. In the following spring, a frequent parker program (“RDU Passport”) will be instituted to make it even easier for frequent users of the facilities to enter and exit with minimal delay and to pay for parking automatically. Effective January 15, 2004, it was proposed that the public parking rates be adjusted to the following:

Terminal Area: Hourly - \$1.00/per hour; maximum \$24.00/per 24 hours
Daily - \$1.00/per hour; maximum \$10.00/per 24 hours

P&R Lot 2: \$5.00/per 24 hours or portion thereof (overflow only)
P&R Lot 3: \$1.00/per hour; maximum \$6.00/per 24 hours
P&R Lot 4: \$1.00/per hour; maximum \$6.00/per 24 hours

P&R Lot 5: \$5.00/per 24 hours or portion thereof (overflow only)

Since P&R Lots 2 and 5 are used only for holiday overflow parking, there is no need to have a per hour rate for those facilities.

Currently, the Authority is in the final phase of totally redeveloping and expanding the North Ramp at a cost of \$57.5 million. The two FBOs collectively are investing upwards of another \$10 million in new hangar and office facilities. Even though FAA AIP and State grant funds will provide 50% of the investment, the net Authority cost still will exceed \$28 million. The Authority will not be able to recover that investment from FBO ground and paved apron rents over the 20-year term of their leases as those rents must be kept at levels that are manageable by the FBOs rather than being based on cost including depreciation of investment. Thus, the Authority needs to look for other sources of revenue at the North Ramp.

The Authority makes a parking charge (\$11 per month) for all employees who work in the terminal buildings, which amounts to about 55 cents per workday. However, the employer pays this charge for the employee with some exception (notably TSA). Charging for employee parking at the North Ramp one-half of the amount paid for terminal employee parking might be considered since North Ramp employees won't be shuttled between parking and their workplace. It is likely that the FBOs will elect to pay for their employees' parking just as most tenants have done.

One way to approach the parking charge issue is to set a grace period within which a charge for parking won't be made (e.g., 4 hours). Beyond the grace period, the parking charge might be a flat fee for the balance of the day and for each succeeding day. In addition, allow the FBOs, the FBOs' sub-tenants and the general aviation terminal building tenants to validate the tickets of and pay the parking charges for their customers who need to be there beyond the grace period. Further, make about half of the 24 angled spaces across the drive from the general aviation terminal building free short-stay (15-30 minutes) parking for people who need to get in and out quickly (the other half will be ready/return spaces reserved for rental cars).

It was proposed that an initial parking rate of \$3.00 per day beyond the grace period on the first day the vehicle is parked be considered. That is one-half the rate in the lowest price airline passenger public parking. A pay-on-foot machine will be installed at the general aviation terminal building, so parkers whose stay exceeds the grace period and whose tickets are not validated will be able to conveniently pay their parking charges. Parkers at the North Ramp will walk a relatively short distance between their vehicles and their destination, so no shuttle bus service will be required.

The Committee recommended approval of the staff recommendations that effective January 15, 2004 (a) the public parking rates be adjusted as proposed, (b) a \$3.00 per day public parking fee with a 4-hour grace period be implemented in the North Ramp general aviation area, and (c) a \$5.50 per month employee parking fee also be implemented in the North Ramp general aviation area.

Member Teer made a motion, seconded by Member Weeks, to accept the recommendation of the Law, Finance & Personnel Committee. Adopted.

RENOVATION AND EXPANSION OF TERMINAL C WORK SESSION – Major Capital Improvements Program Director Powell reviewed and discussed adjustment of the configuration of the Terminal C Renovation and Expansion project to fit the Authority’s probable fiscal resources. Several alternative plans were presented, reviewed and discussed. Staff believes it is very important that the project solve as many problems that currently exist as possible. Therefore, it is believed that the base project must include the proposed new Federal Inspection Services facility in order to eliminate the current difficulties with incoming baggage delivery and required security screening upon exiting the FIS. Also, it is believed that the construction program needs to be initiated within the next year beginning with demolition of the existing north concourse and northern third of the existing main processor.

Upon concluding the discussion, Member Weeks made a motion, seconded by Member Teer, that staff be directed to proceed with the following actions in conjunction with the proposed redevelopment and expansion of Terminal C:

- (a) Negotiate an agreement with the Fentress Bradburn architectural/engineering team for Schematic Design phase services for the “full-build” development scope as formulated by the Project Definition Study, the said agreement to ready for Board consideration not later than the October meeting;
- (b) Have the Schematic Design phase work carried out by the Fentress Bradburn team based upon the understanding that the project to be constructed will be configured as outlined by “Alternate 2 – Reconstruct Main Processor with FIS, Reconstruct a Portion of Concourse and Construct New North Concourse” and that the Total Construction Cost of the project will not exceed \$250 million;
- (c) Ask the Fentress Bradburn team to be prepared to report to the Board not later than the December meeting the comparative design, construction and cost advantages of proceeding as outlined by “Alternate 2”; and
- (d) Continue to update the financial model and assess the financial feasibility of the proposed project at the specified Total Construction Cost level and be prepared to present to the Board at the October meeting the preliminary proposed plan for financing the project.

Adopted.

AIRPORT DIRECTOR’S REPORT –

- Due to the annual ACI-NA Conference being held the third week in September, the regular meeting of the Authority was rescheduled for September 25.
- Enplaned passengers for July 2003 totaled 374,043 versus 403,917 for July 2002 for a 7.4% decrease. Year-to-date 2003 enplaned passengers totaled 2,267,056 versus 2,527,204 for year-to-date 2002 for a 10.3% decrease.
- Deplaned passengers for July 2003 totaled 373,510 versus 407,675 for July 2002 for an 8.4% decrease. Year-to-date 2003 deplaned passengers totaled 2,266,667 versus 2,523,768 for year-to-date 2002 for a 10.2% decrease.

- Enplaned air cargo for July 2003 totaled 8,201,242 pounds versus 7,949,600 pounds for July 2002 for a 3.2% increase. Year-to-date 2003 enplaned air cargo totaled 53,016,154 versus 56,952,446 for year-to-date 2002 for a 6.9% decrease.
- Deplaned air cargo for July 2003 totaled 10,332,972 pounds versus 9,846,875 pounds for July 2002 for a 4.9% increase. Year-to-date 2003 deplaned air cargo totaled 68,618,181 versus 70,883,675 for year-to-date 2002 for a 3.2% decrease.
- Weekday scheduled flight departures for July 2003 totaled 214 versus 239 for July 2002 for a 10.5% decrease.
- Aircraft operations for July 2003 totaled 19,106 versus 20,714 for July 2002 for a 7.8% decrease. Year-to-date 2003 aircraft operations totaled 127,986 versus 143,791 for year-to-date 2002 for an 11.0% decrease.
- The number of vehicles exiting the terminal area public parking lots during July 2003 totaled 191,185 versus 198,586 for July 2002 for a 3.7% decrease. The year-to-date 2003 number of vehicles exiting the terminal area public parking lots totaled 1,093,906 versus 1,160,106 for year-to-date 2002 for a 5.7% decrease.
- The number of taxicab trips taken during July 2003 totaled 13,000 versus 10,867 during July 2002 for a 19.6% increase. The year-to-date 2003 number of taxicab trips totaled 84,726 versus 80,803 for year-to-date 2002 for a 4.9% increase.
- The average scheduled passenger airline load factor for July was 76%.
- Customer Service & Organizational Support Director Damiano recently met with an air carrier seeking to bring service to Raleigh-Durham. The meeting went very well, and it is hoped that in the spring of 2004 that service will be in place.
- Beginning September 1, Delta Connection will inaugurate twice daily service to Ft. Lauderdale.
- A charter carrier interested in providing service to the Caribbean islands recently contacted the Authority about basing an aircraft at RDU. If that works out, it will add more traffic to the airport and to Terminal C.
- Piedmont Hawthorne will relocate to its new hangar and office facilities at the North Ramp the weekend of August 23–24. Southern Jet will relocate the weekend of September 13-14. Construction of the new SAS hangar is proceeding as scheduled.
- At the September Board meeting, the Authority will receive a presentation by the Chief of the Raleigh Fire Department on proposed development of a regional fire-training center on Airport property west of Pleasant Grove Church Road. The local governmental units in the region are looking for space on the Airport to develop the training facility under an agreement similar to the one the Authority currently has with Wake County for use of the property on which the County

developed Lake Crabtree County Park (lease land for \$1 per year). If the facility is built, the Authority's Emergency Services staff will be able to take advantage of it for training purposes.

- Staff received a presentation several weeks ago from a Virginia firm that has developed a portable biometric security technology. The application looks very promising in being able to confirm a person's identity who is attempting to enter a secure area. Due to the involvement of our senators, the TSA is fairly interested in the technology being demonstrated. RDU may be selected as one of ten demonstration test sites.
- Due to the recent power outage in the northeast, several flights from Haiti en route to New York were diverted to RDU. The Authority, in conjunction with the local Red Cross organization and Wake County Emergency Management, provided approximately 300 Haitians with food and overnight sleeping accommodations in an area at the north end of the Terminal C concourse. The travelers were very appreciative of the help they received.
- The preconditioned air system at Terminal C is out of order. It is expected to be back in service this weekend. The main water pump on one of the chillers also is out. This is due to poor maintenance of the equipment prior to the Authority assuming responsibility for its maintenance.
- The new parking revenue control system, as well as the "Exit Express" pay-on-foot equipment, is being installed in the parking decks. Parking Garage 4 is on schedule to open November 17.
- TSA hosted a cake cutting in the Terminal A Extension lobby on August 19 to celebrate its 1-year anniversary at RDU. The Authority is working with TSA to conclude a reimbursable agreement under which TSA will pay for returning Law Enforcement Officers to the checkpoints in the terminals on a full time basis.

ADJOURNMENT - There being no further business, Chairman Clancy adjourned the meeting.

Respectfully submitted,

Stephen K. Zaytoun, Secretary

CORRECT ATTEST:

David T. Clancy, Chairman